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February 26, 2002

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To: Holders of Provisional Primary Home Care/Family Care (PHC/FC) and/or  
Community Based Alternatives Home and Community Support Services  
(CBA/HCSS) Contracts

Subject: Long Term Care  
Information Letter 02-05  
Renewal/Expiration of Provisional Contracts

As a result of rules that were effective December 1, 2000, the Texas Department of Human Services (DHS) is issuing provisional contracts in the Primary Home Care/Family Care (PHC/FC) and the Community Based Alternatives Home and Community Support Services (CBA/HCSS) programs.

Provisional contracts are time limited and are for a period of no more than one year. At least once during the provisional contract period, DHS staff will conduct a formal compliance monitoring review of the provisional contract. DHS will use results of the formal compliance monitoring review(s) in determining whether to renew a provisional contract or to allow it to expire.

Please note that DHS is not prohibited from terminating a provisional contract prior to its expiration.

**Monitoring of Provisional Contracts**

By rule provider agencies are expected to achieve at least a 90% level of compliance on the monitoring review. A provider agency's failure to score at least a 90% level of compliance, overall, on the monitoring review may result in DHS

- transferring clients to other provider agencies; and
- allowing the provisional contract to expire without renewal.

If a provider agency scores 90% or greater on the compliance monitoring and if there are no other factors that would result in DHS not renewing the provisional contract, DHS will:

- process the necessary documentation to extend the contract; and
- notify the provider agency that DHS will renew the contract upon receipt of completed documentation.

### **Service to Clients During Provisional Contract Period**

In accordance with 40 Texas Administrative Code (TAC) §49.19, DHS may terminate a contract if the provider agency fails to deliver Community Care Services for six consecutive months.

### **Billing During Provisional Contract Period**

If DHS is not able, to conduct a compliance monitoring review of the contract prior to its expiration, because the provider did not bill, DHS will not renew the contract and will allow it to expire. DHS pulls samples for contract monitoring from billing records. The provider agency must bill for services on a regular basis to enable DHS to conduct a compliance monitoring review. If a provider agency serves clients during the provisional contract period, the provider must bill at least every month for services provided in the prior month. This will allow contract staff to pull a sample for monitoring.

Sincerely,

*[signature on file]*

Becky Beechinor  
Assistant Deputy Commissioner  
Long Term Care Services

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